



WEEKLY REPORT

WEEK 51 - December 24, 2022

The shipping industry experienced a major shift in 2022, with a "boom to bust" scenario playing out in certain segments, particularly in the container and dry bulk sectors. The rates saw significant fluctuations, making it an unpredictable year. The industry is a vital component of global trade, and the ups and downs in rates parted a significant impact on the global economy.

Russia - Ukraine war continues to be a source of conflict and tension in the region. Despite ongoing efforts to find a resolution, the conflict remains unsettled and continues to have a significant impact on the industry and as we enter the New Year.

Start of 2022, China implemented a strict "Zero COVID" policy in order to control the spread of the virus. However, this policy recently changed and Beijing relaxed its restrictions, leading to a significant increase in cases. The country is now facing a major threat to its economy as it struggles to contain the explosion in cases. In response, Beijing has announced plans to focus on boosting the economy in the coming year, with hints of business-friendly policies and support for the struggling property market.

Meanwhile, U.S. stocks declined as investors responded to data that supported the Federal Reserve's assertion that the economy is strong enough to handle further tightening. Fresh data on Thursday indicated a resilient U.S. economy, leading to concerns that the Fed has further to go in addressing price growth. Initial jobless claims were lower than expected for the week ending December 17, indicating strength in the labor market.

Dry Bulk

The price of iron ore rebounded midweek after experiencing two consecutive days of decline. The rebound was spurred by news that China Evergrande, currently facing a debt issue, had announced that it was resuming work on nearly 600 previously postponed real estate projects. This followed other encouraging developments in China's real estate market, such as a bank's decision to finance 10 real estate co. with a total of nearly 400 billion yuan.

Despite these positive developments, the World Bank has reduced its growth forecast for China due to the country's prolonged deterioration in the real estate market and an increase in covid-19 cases. The dry bulk market is resuming its focus on traditional demand and supply dynamics as trade gradually normalizes after a period of considerable disruptions and uncertainty. With an expected increase in fleet supply in the coming years, demand will be the primary factor influencing spot freight rates. China is expected to continue playing a dominant role in driving dry bulk imports.

Capesize:

This week, rates in Capes fell slightly due to pressure before the year-end holidays and an imbalance in the supply of ships between different water basins. Vessels in the Pacific basin that are sailing to the Atlantic during the year-end holiday period may have difficulty finding a second port due to a lack of market activity. T.C. in the T/A saw an increase of 42% start of week but fell slightly to US\$31,250 at week's closing. Pacific round voyages declined by 3% due to an imbalance in supply between different water basins, with levels in the region of US\$14,150 a day.

Panamax / Kamsarmax:

The Atlantic basin in the Panamax rose slightly this week due to vessel concentration in the region, while the Pacific declined due to increased ship supply pressure. Despite the drop in temperatures in the northern hemisphere, the volume of coal transport in both waters remains relatively limited. This week's overall downturn can be attributed to lower activity and slow demand following the end of the full-fledged market year. There is an expectation for sporadic peaks due to a shortage of Atlantic ships. Pacific - India route slipped to US\$10,300 a day region while round voyages trips fell to US\$10,800 a day. T/A closed before Christmas at US\$15,400 a day.

Supramax / Ultramax:

The United States continues to be a leading player in the Supramax market this week. South America has also seen an increase in cargo concentration and activity in the Atlantic towards year-end. In the Pacific, Northeast Asia has been impacted by a decrease in NOPAC grain inflow and a lack of demand for backhaul steel. The oversupply of ships has led to downward pressure on Southeast Asian waters, including Indonesia, indicating weakness in the market. As a result of the sluggish demand caused by the year-end market, it is expected that the trend will be weak this week. Pacific r/v fell slightly to US\$8,450 while T/A saw discounts with levels settling at US\$20,850 a day.

Handysize:

This week, the Handysize market in the Atlantic saw some pressure with last-minute deals pushing through before the holidays. Levels rose slightly at the start of the week but fell to US\$11,350 a day on Friday. In the Pacific, things were slowing down with a sufficient supply of vessels, but overall, there was a lack of activity in the region. Inter-Pacific closed lower at US\$7,500 a day.

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
WISDOM OF THE SEA 1 / WISDOM OF THE SEA 2	CAPE	180,184	2011	S. KOREA	23.7 EACH	UNDISCLOSED
STONY STREAM	UMAX	64,000	2015	CHINA	24.5	GENCO
DELSA	UMAX	63,166	2015	CHINA	24.5	TURKISH BUYERS
PAN BEGONIA	SUPRAMAX	57,307	2009	S. KOREA	12.5	UNDISCLOSED
DE XING HAI	HMAX	43,665	1990	JAPAN	2.9	CHINESE BUYERS
INTERLINK SAGACITY	HANDY	38,743	2015	CHINA	19.5	UNDISCLOSED
MYKONOS	HANDY	34,340	2009	S. KOREA	12.25	UNDISCLOSED

Dry Bulk Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
CAPE	180,000	610	52	35	28	13
KAMSARMAX	82,000	34	37	30	22	10
SUPRAMAX	56,000	31	35	27	18	7
HANDY	38,000	28	27	23	16	5

*(Amount in USD million)

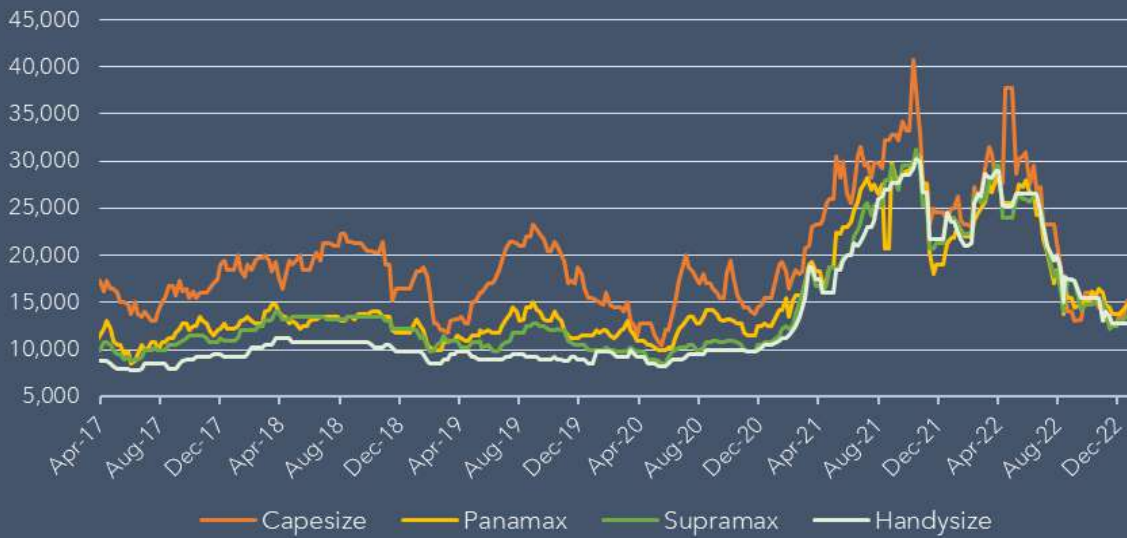
Baltic Exchange Dry Bulk Indices

BAL TIC EXCHANGE DRY BULK INDICES					
	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDI	1,650	1,560	2,217	+5.77	-25.58
BCI	2,261	2,208	2,312	+2.40	-2.21
BPI	1,563	1,652	2,573	-5.39	-39.25
BSI	1,083	1,157	2,290	-6.40	-52.71
BHSI	671	705	1,466	-4.82	-54.23

BULKER 12 MONTHS T/C RATES AVERAGE (IN USD/DAY)

	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
CAPE	180,000	17,000	15,250	25,000	+11.48	-32.00
PANAMAX	75,000	14,150	14,500	21,850	-2.41	-35.24
SUPRAMAX	52,000	13,350	13,500	24,000	-1.11	-44.38
HANDYSIZE	32,000	10,250	10,250	23,500	0	-56.38

Dry Bulk 1 year T/C rates



Tankers

According to analysts, oil prices will return to US\$100 per barrel in 2023. Some believe that many of the factors that have held back oil prices this year, including China's zero-Covid policy and coordinated SPR releases by various governments, will no longer be prevalent in 2023. Alongside sanctions on Russia's oil and gas, this will also drive oil prices up, with many predicting that the energy sector will continue to outperform other market sectors due to the high demand for oil and gas stocks.

The Bank of America also recently predicted that Brent could reach US\$90 per barrel or more due to a dovish pivot by the U.S. Federal Reserve and a successful economic reopening by China. The bank expects Brent prices, currently trading at US\$77.93, to average US\$100/bbl in 2023 due to a recovery in Chinese oil demand and a drop in Russian supplies. OPEC+ is expected to fully implement a 2 million bpd output cut in an effort to boost oil prices.

However, the bank notes that their projections rely heavily on strong demand growth in China and India, and any delays in reopening in Asia could impact the expected price trajectory. Crude oil futures have recently been declining due to concerns about a global recession and weaker demand from China.

VLCC:

VLCC owners saw a quiet week. Many are holding back, hoping for a better offer. This may work in the short term, but it could lead to a bottleneck of deals in the days before New Year. Earnings in the segment saw a slip, with 270,000mt MEG to China closing at WS73.

Suezmax:

The Suezmax market in the Atlantic basin has seen significant decreases in rates, with TD20 hovering at WS147. The USG market seems to have stabilized, with some upward potential but the overall outlook seems to remain subdued heading into the new year.

Aframax:

The Nsea Aframax market has slowed with the increased activity from bigger sizes. Rates have started to decrease, and this trend is expected to continue into the new year. 80,000mt Black Sea - Med fared lower around WS380. The Med/BSea has also seen an uptick of Suezmax ships fixing Aframax stems.

Clean:

Despite the significant increase in activity in the UKC's M.R. market, rates remained under pressure. This week, the market activity was dominated mostly by the LR1s, which had some bustling due to pending cargo. On the other hand, the LR2s market remained relatively stable.

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
HOUSTON STAR	AFRA	116,093	2007	JAPAN	39.5	GARDSEA
SAINT GEORGE	AFRA	109,390	2002	CHINA	23.5	UNDISCLOSED
MINOANSEA	AFRA	108,817	2008	CHINA	39.0	GARDSEA
SEALOYALTY	AFRA	106,468	2005	JAPAN	32.0	UNDISCLOSED
CAPE BRADLEY / CAPE BACTON	MR	40,345	2004	S. KOREA	16.0 EACH	UNDISCLOSED
SILENT / SINGLE	MR	37,847	2007	S. KOREA	N/A	UNDISCLOSED
CAPE GAVI	MR	37,606	2008	S. KOREA	17.3	GREEK BUYERS
BOCHEM CHENNAI	PROD / CHEM	19,801	2012	JAPAN	23.8	UNDISCLOSED
YC DAHLIA	PROD / CHEM	10,977	2010	S. KOREA	11.2	THAI BUYERS

Tankers Values

(Weekly)

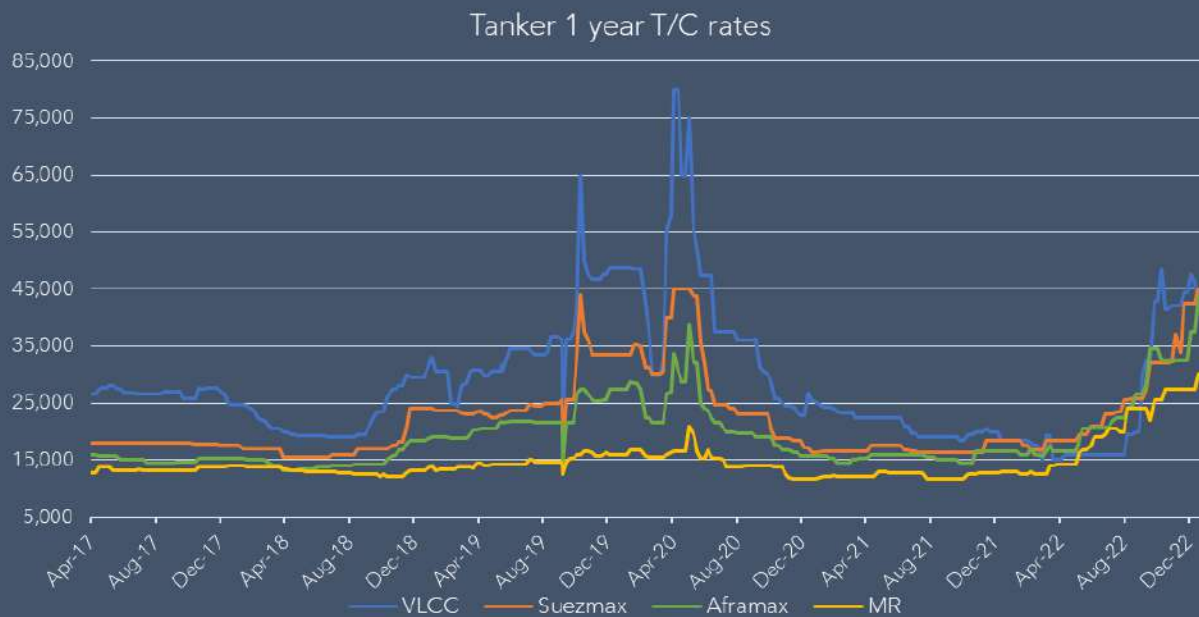
TANKERS	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
VLCC	310,000	120	122	92	70	50
SUEZMAX	160,000	80	83	63	47	24
AFRAMAX	115,000	62	73	58	43	24
PANAMAX-LR1	73,000	54	27	45	34	16
MR TANKER	51,000	43	47	40	30	16

**(amount in USD million)*

Baltic Exchange Tanker Indices

BALTIC EXCHANGE TANKER INDICES					
	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDTI	1,887	2,078	786	-9.19	+140.08
BCTI	2,143	2,051	788	+4.49	+171.95

TANKER 12 MONTHS T/C RATES AVERAGE (IN USD/DAY)						
TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
VLCC	300,000	41,500	42,000	18,500	-1.19	+124.32
SUEZMAX	150,000	44,500	45,000	18,500	-1.11	+140.54
AFRAMAX	110,000	43,500	43,500	16,500	0	+163.64
LR1	74,000	42,500	42,500	14,000	0	+203.57
MR	47,000	30,250	30,250	13,000	0	+132.69



Containers

During the past week, there were only a few fixtures made in the feeder segment due to a lack of available tonnage. Overall, the New Year does not look chirpy for the sector, with signs pointing to a further decline. It is projected that container freight rates will decrease by 20-30% for the first half of 2023. The decline is likely to be driven by a slowdown in trade growth due to high inflation rates, changes in consumer patterns, and pressure on the supply side, including increased investment in new vessels. Additionally, the easing of COVID-19 restrictions may lead to reduced congestion, which could also contribute to the fall in rates.

Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
CARPATHIA	SUB PMAX	2,824	2003	S. KOREA	N/A	UNDISCLOSED
AS CLEOPATRA	SUB PMAX	2,742	2006	GERMANY	20.9	UNDISCLOSED
JRS CORVUS	FEEDER	698	2008	CHINA	N/A	UNDISCLOSED

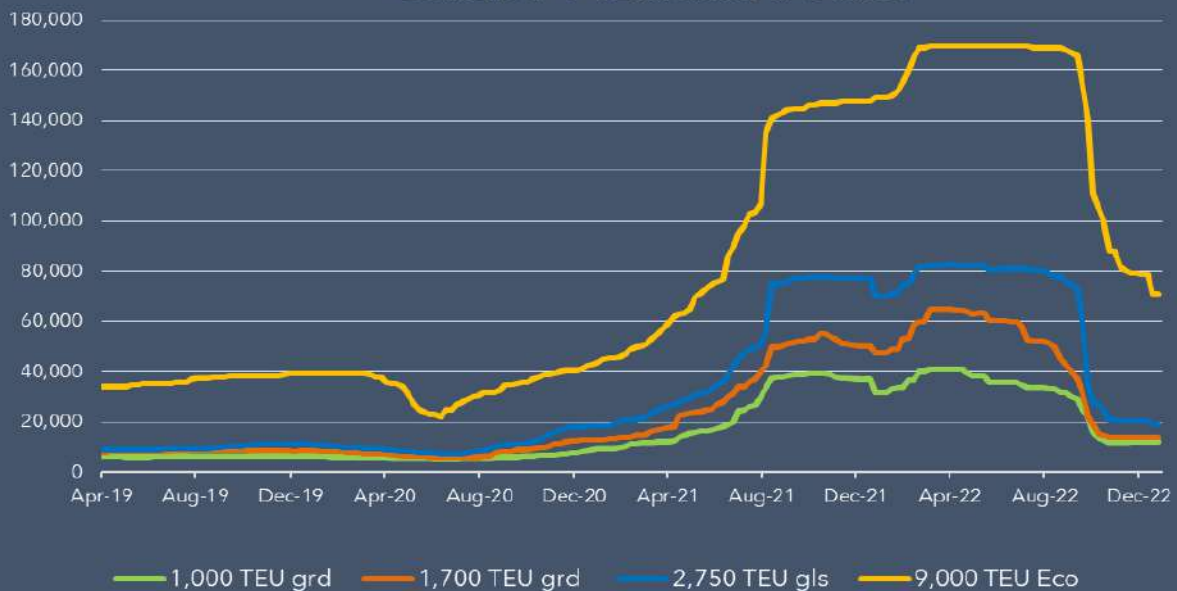
Containers Values

(Weekly)

CONTAINERS (by TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 - 1,200	Geared	23	23	18	14	10
1,600 - 1,800	Geared	29	29	23	17	12
2,700 - 2,900	Gearless	42	38	32	21	16
5,500 - 7,000	Gearless	85	100	90	65	N/A

**(amount in USD million)*

Container 6-12 months T/C rates



Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA)	530 ~ 540	520 ~ 530	520 ~ 530	570 ~ 580	STABLE / 
CHATTOGRAM, BANGLADESH	*530 ~ 540	*520 ~ 530	*500 ~ 510	*550 ~ 560	STABLE / 
GADDANI, PAKISTAN	550 ~ 560	540 ~ 550	520 ~ 530	580 ~ 590	IMPROVING / 
TURKEY *For Non-EU ships. For E.U. Ship, the prices are about USUS\$30-40/ton less	250 ~ 260	240 ~ 250	240 ~ 250	280 ~ 290	STABLE / 

- All prices are USD per light displacement tonnage in the long ton.
- The prices reported are net prices offered by the recycling yards.
- Prices quoted are basis simple Japanese / Korean-built tonnages trading units. Premiums are paid on top of the above-quoted prices based on quality & quality of Spares, Non-Fe., bunkers, cargo history, and maintenance.
- * Prices are based on the subject Letters of Credit opening.

5-Year Ship Recycling Average Historical Prices

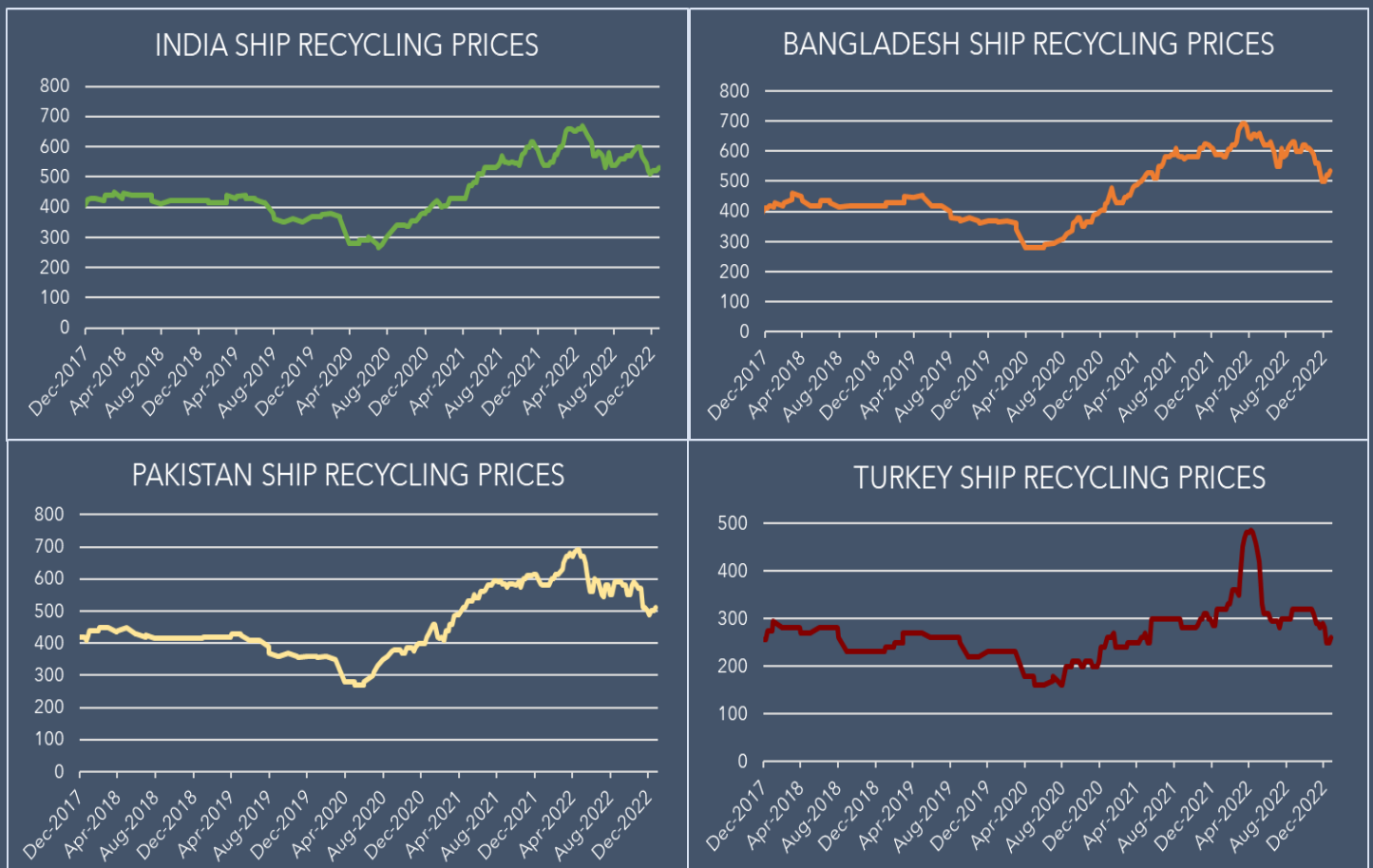
(Week 51)

DESTINATION	2017	2018	2019	2020	2021
ALANG, INDIA	435	430	380	400	580
CHATTOGRAM, BANGLADESH	430	430	375	410	610
GADDANI, PAKISTAN	410	415	365	400	600
ALIAGA, TURKEY	210	270	240	245	340

Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US\$/LDT)	COMMENTS
CHANG FA HAI	10,166	1989 / CROATIA	BULKER	500	DELIVERED CHITTAGONG
JAMILA	7,765	1995 / JAPAN	BULKER	511	DELIVERED GADDANI
AKINADA BRIDGE	24,294	2001 / S.KOREA	CONTAINER	596	DELIVERED GADDANI / HIGH SPECS
CAPE OSPREY	20,612	1999 / JAPAN	BULKER	530	DELIVERED ALANG / HKC RECYCLING
JIN HANG ZHENG LIAN	9,534	1989 / JAPAN	BULKER	535	DELIVERED GADDANI

Recycling Ships Price Trend



Insight

The year of uncertainty is finally coming to a close, but it is paving the way for another rocky start in 2023, with fears of a global recession looming due to a slowdown in consumer spending.

In contrast, geopolitical conditions play a significant impact in setting the prices of steel and other commodities.

In 2022, the ship recycling sector has experienced wild market fluctuations. As we advance, they may see another volatile start as the ship supply eases and Bangladesh and Pakistan are practically non-existent. The pressure will mount on Alang with the number of ships lined up for recycling.

The bright side for the recycling industry was the easing of ship supply. As the freight rates tumbled on containers and dry bulk segments and EEXI regulations comes into effect from January 1, 2023, elderly and obsolete ships were making their way to the shores of the Sub-Continent. As we advance, industry experts believe the 2023 first quarter will be a hectic time for the ship recycling industry.

ALANG, INDIA

In recent weeks, the prices have stabilised, restoring the recycling community's previously diminished hope. More ships are being sold at the prevailing prices as time passes.

In general, Alang recyclers were awaiting this stability in domestic ship scrap pricing while keeping an eye on the currency exchange rate; both have remained beneficial for the time being.

The domestic scrap markets have witnessed a whipsaw condition throughout 2022, distorting the ability of the recyclers to buy. Going forward, if all relevant parameters remain unchanged for the next month, the markets may see an upturn in prices as the demand is stable.

Conversely, the talks of the 10 Wan Hai units did not materialise this week since the prices received did not attract the attention of the owner. The subsequent week will be interesting to see what the levels achieved in the present market are setting up a yardstick for similar-sized containers.

Anchorage & Beaching Position (December 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
BERGE APO	BULKER	20,668	20.12.2022	24.12.2022
ETHAN	CONTAINER	5,104	19.12.2022	23.12.2022
T-20	TENDER RIG	9,408	19.12.2022	21.12.2022
T-19	TENDER RIG	7,636	11.12.2022	13.12.2022
FLOATING DOCK V	FLOATING DOCK	9,176	11.12.2022	13.12.2022
UNTER	FISHING TRAWLER	3,918	10.12.2022	15.12.2022
LOBSTER	FISHING TRAWLER	3,136	09.12.2022	14.12.2022
MARSHAL NOVIKOV	FISHING TRAWLER	3,971	06.12.2022	14.12.2022
DORA	TANKER	12,615	05.12.2022	08.12.2022

CHATTOGRAM, BANGLADESH

Finally, after a turbulent last quarter of 2022 with ongoing Letters of credit issues, lately, several ships have started to make their way to the Chittagong yards, with some influential ship recyclers able to get the Letters of Credit, a positive sign. Still, a vast majority of the cash buyers are unwilling to take any risk by selling to Chittagong recyclers.

Domestic prices have made a quick turnaround due to the scarcity of feedstock for the mills. If we look back at the prices at the beginning of 2022 and the price now they are at similar levels at approximately US\$675/ton with the only difference in the BDT during that time was BDT 85~86 to a U.S.dollar and now is BDT 104 ~ 105 to a U.S. dollar.

Domestic demand for steel remains sluggish in light of the ongoing liquidity crisis as no fresh infrastructure development projects are undertaken, and the Government is still battling to revive the struggling economy.

Anchorage & Beaching Position (December 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
BELL	BULKER	7,995	18.12.2022	AWAITING
AN PING 8	BULKER	9,804	19.12.2022	23.12.2022
MEIZHOU 1	BULKER	9,453	17.12.2022	22.12.2022
FUNING 2	BULKER	5,002	10.12.2022	AWAITING
PK 27	LPG	1,103	14.12.2022	21.12.2022
BOSFOR	TANKER	779	07.12.2022	20.12.2022
SHUN FU	BULKER	10,672	03.12.2022	09.12.2022
HAI FENG 698	REEFER	7,240	26.11.2022	AWAITING

GADDANI, PAKISTAN

This week, Gaddani recyclers made a robust comeback, picking up ships at significantly higher levels. But what triggered this exponential movement in a poor market? The answer is before the new restrictions on the opening of Letters of Credit are announced, the recyclers wanted to build up their inventories in anticipation. Another reason for the aggressive buying was a vast majority had an expensive inventory that had to be averaged out.

Overall, ship recycling markets remained distorted and divided. Several ship recyclers with the ability to avail Letters of credit are showing bullish responses to the present markets; some are on the sidelines. Recent sales of capes marked a new era in prices, confirming the strength of the markets despite sluggish demand for finished products.

The recent sale of Akinada Bridge, the container ship, drew significant attention in Pakistan, and remarkable numbers were offered – ranging from US\$580 ~ 585 levels from the recyclers, which is a bullish reflection of the prices heading north.

The dollar shortage and delays in availing the loan from International Monetary Funds have left the importers dismayed. In addition, the political instability has given a different direction to the steel sector, and demand for steel products has slowed down significantly in Pakistan.

Hopes remain amongst the industry, but the latest fear factor in Pakistan is the Bangladesh-style shutting down of opening Letters of credit which may cause disruption in the industry and lead to another quiet spell.

Anchorage & Beaching Position (December 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
CHANGI	BULKER	9,824	01.12.2022	11.12.2022

ALIAGA, TURKEY

The tight supply of scrap, which is expected to become even tighter during the holidays, has led to suppliers not lowering prices to the levels desired by Turkish mills. As a result, Turkish mills have been unable to meet their scrap needs and are concerned about further price increases after the holiday. They have had to pay these prices despite unfavourable conditions in steel sales.

The market for ship scrap has weakened, with steel mills offering lower prices by around US\$3-5/ton. Prices offered by ship recyclers have remained at the same levels as last week. It is expected that prices for new tonnages may slightly decrease.

BEACHING TIDE DATES 2022

Chattogram, Bangladesh : 23rd Dec. ~ 26th Dec. | 7th Jan ~ 10th Jan

Alang, India : 21st Dec. ~ 29th Dec. | 4th Jan ~ 11th Jan

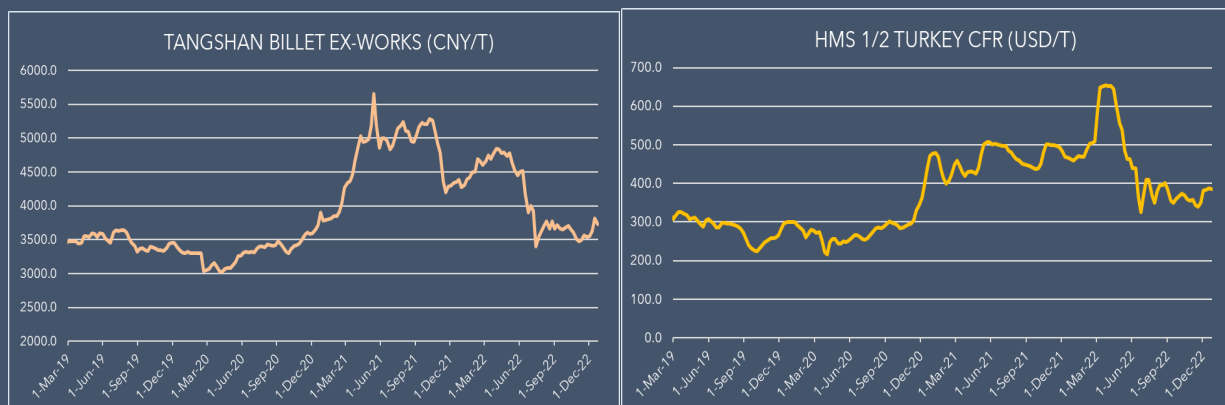
Bunker Prices

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	614	399	916
HONG KONG	611	432	909
FUJAIRAH	619	390	1153
ROTTERDAM	534	456	869
HOUSTON	542	405	910

Exchange Rates

EXCHANGE RATES			
	23rd DECEMBER	16th DECEMBER	W-O-W % CHANGE
USD / CNY (CHINA)	6.98	6.97	-0.14%
USD / BDT (BANGLADESH)	106.36	103.18	-3.08%
USD / INR (INDIA)	82.82	82.68	-0.17%
USD / PKR (PAKISTAN)	226.38	224.95	-0.64%
USD / TRY (TURKEY)	18.68	18.64	-0.21%

Commodity Price HMS 1/2 & Tangshan Billet



Iron Ore

COMMODITY	SIZE / GRADE	PRICE/ MT	CHANGE W-O-W	CHANGE Y-O-Y	LAST WEEK	LAST YEAR
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	US\$112	0%	+0.9%	US\$112	US\$111
Iron Ore Fines, CNF Rizhao, China	Fines, Fe 62% (Australia Origin)	US\$112	-0.88%	-9.67%	US\$113	US\$124

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	378.00	+2.30	+0.61%	Mar 2023
3Mo Copper (L.M.E.)	USD / MT	8,310.50	-83.00	-0.99%	N/A
3Mo Aluminum (LME.)	USD / MT	2,406.00	+14.50	+0.61%	N/A
3Mo Zinc (LME.)	USD / MT	2,948.00	-61.50	-2.04%	N/A
3Mo Tin (LME.)	USD / MT	23,930.00	-130.00	-0.54%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	79.43	+1.94	+2.50%	Feb 2023
Brent Crude (ICE.)	USD / bbl.	82.84	+1.86	+2.30%	Feb 2023
Crude Oil (Tokyo)	JPY / kl	63,050.00	+960.00	+1.55%	May 2023
Natural Gas (Nymex)	USD / MMBtu	4.96	-0.04	-0.88%	Jan 2023

Note: all rates as at C.O.B. London time December 23, 2022

This report is performed to the best of our knowledge based on the market conditions prevailing at the time mentioned. The report relates solely to the date/place referred to, and we emphasise that it is a statement of information collected from various market sources. All details above are from information given to us and such information as we have obtained from relevant references in our possession. Still, we can accept no responsibility, and we bear no liability for any loss or damage incurred to any persons acting upon this report. STAR ASIA believes the information to be accurate and given in good faith but without guarantee. STAR ASIA will not be held responsible in any way for any action or failure to act based on the information given in this report. The use of report cannot be reproduced or used without authorisation from STAR ASIA.